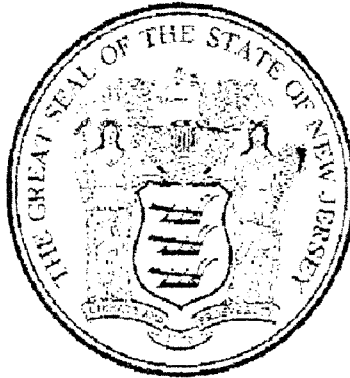


QUARTERLY REPORT

LICENSEE RESORTS INTERNATIONAL HOTEL, INC.

FOR THE QUARTER ENDED DECEMBER 31, 2001

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



TRADING NAME OF LICENSEE RESORTS ATLANTIC CITY

BALANCE SHEETS

AS OF DECEMBER 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

Amended
9/13/02

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	ASSETS		
	Current Assets:		
1	Cash and Cash Equivalents.....	\$ 15,168	\$ 14,368
2	Short-Term Investments.....	195	7,085
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2001, \$3,894; 2000, \$2,926)..... Note 3.....	8,273	9,142
4	Inventories.....	1,536	2,006
5	Prepaid Expenses and Other Current Assets..... Note 4.....	5,342	1,934
6	Total Current Assets.....	30,514	34,535
7	Investments, Advances, and Receivables..... Note 5.....	18,535	18,539
8	Property and Equipment - Gross.....	130,605	298,482
9	Less: Accumulated Depreciation and Amortization.....	(4,466)	(40,704)
10	Property and Equipment - Net..... Note 6.....	126,139	257,778
11	Other Assets..... Note 7.....	3,956	100,119
12	Total Assets.....	\$ 179,144	\$ 410,971
	LIABILITIES AND EQUITY		
	Current Liabilities:		
13	Accounts Payable.....	\$ 5,746	\$ 5,405
14	Notes Payable.....	-	-
	Current Portion of Long-Term Debt:		
15	Due to Affiliates..... Note 10.....	9,400	-
16	Other.....	829	581
17	Income Taxes Payable and Accrued.....	1,695	-
18	Other Accrued Expenses..... Note 8.....	16,793	16,449
19	Other Current Liabilities..... Note 9.....	4,063	17,247
20	Total Current Liabilities.....	38,526	39,682
	Long-Term Debt:		
21	Due to Affiliates..... Note 10.....	87,318	199,337
22	Other.....	1,184	79,000
23	Deferred Credits.....	1,349	35,457
24	Other Liabilities.....	379	-
25	Commitments and Contingencies..... Note 15.....	-	-
26	Total Liabilities.....	128,756	353,476
27	Stockholders', Partners', or Proprietor's Equity.....	50,388	57,495
28	Total Liabilities and Equity.....	\$ 179,144	\$ 410,971

The accompanying notes are an integral part of the financial statements.
Comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$ 225,219	\$ 224,259 *
2	Rooms.....	14,079	16,412
3	Food and Beverage.....	24,857	26,039
4	Other.....	5,691	4,972
5	Total Revenue.....	269,846	271,682
6	Less: Promotional Allowances.....	28,208	27,071
7	Net Revenue.....	241,638	244,611
	Costs and Expenses:		
8	Cost of Goods and Services.....	147,054	153,627 *
9	Selling, General, and Administrative.....	61,211	64,480 *
10	Provision for Doubtful Accounts.....	1,555	1,160
11	Total Costs and Expenses.....	209,820	219,267
12	Gross Operating Profit.....	31,818	25,344
13	Depreciation and Amortization.....	10,308	16,749
	Charges from Affiliates Other than Interest:		
14	Management Fees.....Note 11.....	-	6,573
15	Other.....	-	281
16	Income (Loss) from Operations.....	21,510	1,741
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....Note 11.....	(11,552)	(18,075)
18	Interest (Expense) - External.....	(1,822)	(6,097)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(927)	(799)
20	Nonoperating Income (Expense) - Net.....Note 12.....	681	824
21	Total Other Income (Expenses).....	(13,620)	(24,147)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	7,890	(22,406)
23	Provision (Credit) for Income Taxes.....Note 13.....	5,046	-
24	Income (Loss) Before Extraordinary Items.....	2,844	(22,406)
25	Extraordinary Items.....	-	-
26	Net Income (Loss).....	\$ 2,844	\$ (22,406)

*Lines have been restated to conform with current year presentation

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	Revenue:		
1	Casino.....	\$ 51,778	\$ 50,163 *
2	Rooms.....	3,320	3,577
3	Food and Beverage.....	6,016	5,949
4	Other.....	1,412	1,396
5	Total Revenue.....	62,526	61,085
6	Less: Promotional Allowances.....	7,115	6,155
7	Net Revenue.....	55,411	54,930
	Costs and Expenses:		
8	Cost of Goods and Services.....	35,400	36,808 *
9	Selling, General, and Administrative.....	14,474	14,364 *
10	Provision for Doubtful Accounts.....	1,050	153
11	Total Costs and Expenses.....	50,924	51,325
12	Gross Operating Profit.....	4,487	3,605
13	Depreciation and Amortization.....	1,984	3,951
	Charges from Affiliates Other than Interest:		
14	Management Fees.....	-	-
15	Other.....	-	-
16	Income (Loss) from Operations.....	2,503	(346)
	Other Income (Expenses):		
17	Interest (Expense) - Affiliates.....	(1,923)	(4,519)
18	Interest (Expense) - External.....	(45)	(1,645)
19	Investment Alternative Tax and Related Income (Expense) - Net.....	(190)	(61)
20	Nonoperating Income (Expense) - Net.....	(87)	406
21	Total Other Income (Expenses).....	(2,245)	(5,819)
22	Income (Loss) Before Income Taxes and Extraordinary Items.....	258	(6,165)
23	Provision (Credit) for Income Taxes.....	103	-
24	Income (Loss) Before Extraordinary Items.....	155	(6,165)
25	Extraordinary Items.....	-	-
26	Net Income (Loss).....	\$ 155	\$ (6,165)

*Lines have been restated to conform with current year presentation

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE RESORTS ATLANTIC CITY

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2001

(UNAUDITED)
(\$ IN THOUSANDS)

Line (a)	Description (b)	Common Stock		Preferred Stock		Additional Paid-In Capital (g)	(h)	Retained Earnings (Accumulated) (Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
		Shares (c)	Amount (d)	Shares (e)	Amount (f)				
1	Balance, December 31, 1999.....	1,000,000	\$ 1,000		\$	\$ 123,660	\$	\$ (44,759)	\$ 79,901
2	Net Income (Loss) - 2000.....							(22,406)	(22,406)
3	Contribution to Paid-in-Capital.....								
4	Dividends.....								
5	Prior Period Adjustments.....								
6	.....							
7	.....							
8	.....							
9	.....							
10	Balance, December 31, 2000.....	1,000,000	1,000			123,660		(67,165)	57,495
11	Net Income (Loss) - 2001.....							2,844	2,844
12	Contribution to Paid-in -Capital.....								
13	Dividends.....								
14	Prior Period Adjustments.....								
15	Adjustments Due To Purchase of Company ..					(82,160)		72,209	(9,951)
16	.....							
17	.....							
18	.....							
19	Balance, December 31, 2001.....	1,000,000	\$ 1,000	\$ -	\$ -	\$ 41,500	\$ -	\$ 7,888	\$ 50,388

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

TRADING NAME OF LICENSEE RESORTS ATLANTIC CITY

STATEMENTS OF CHANGES IN PARTNERS' OR PROPRIETOR'S EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2000
AND THE TWELVE MONTHS ENDED DECEMBER 31, 2001

(UNAUDITED)
(\$ IN THOUSANDS)

NOT APPLICABLE

Line (a)	Description (b)	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	<div></div> <div></div> <div></div> <div>(e)</div>	Total Equity (Deficit) (f)
1	Balance, December 31, 1999.....	\$	\$	\$	\$
2	Net Income (Loss) - 2000.....				
3	Capital Contributions.....				
4	Capital Withdrawals.....				
5	Partnership Distributions.....				
6	Prior Period Adjustments.....				
7	.....			
8	.....			
9	.....			
10	Balance, December 31, 2000.....				
11	Net Income (Loss) - 2001.....				
12	Capital Contributions.....				
13	Capital Withdrawals.....				
14	Partnership Distributions.....				
15	Prior Period Adjustments.....				
16	.....			
17	.....			
18	.....			
19	Balance, December 31, 2001.....	\$	\$	\$	\$

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
1	NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES.....	\$ 14,682	\$ (3,742)
	CASH FLOWS FROM INVESTING ACTIVITIES:		
2	Purchase of Short-Term Investment Securities.....	-	-
3	Proceeds from the Sale of Short-Term Investment Securities.....	-	-
4	Cash Outflows for Property and Equipment.....	(12,806)	(11,913)
5	Proceeds from Disposition of Property and Equipment.....	-	221
6	Purchase of Casino Reinvestment Obligations.....	(2,990)	(2,604)
7	Purchase of Other Investments and Loans/Advances made.....	-	-
	Proceeds from Disposal of Investments and Collection		
8	of Advances and Long-Term Receivables.....	-	-
9	Cash Outflows to Acquire Business Entities.....	-	-
10		-	-
11		-	-
12	Net Cash Provided (Used) By Investing Activities.....	(15,796)	(14,296)
	CASH FLOWS FROM FINANCING ACTIVITIES:		
13	Cash Proceeds from Issuance of Short-Term Debt.....	-	-
14	Payments to Settle Short-Term Debt.....	-	(1,892)
15	Cash Proceeds from Issuance of Long-Term Debt.....	2,084	6,000
16	Costs of Issuing Debt.....	(2,810)	-
17	Payments to Settle Long-Term Debt.....	(951)	-
18	Cash Proceeds from Issuing Stock or Capital Contributions.....	42,500	-
19	Purchases of Treasury Stock.....	-	-
20	Payments of Dividends or Capital Withdrawals.....	-	-
21	Payments for Recapitalization Cost.....	(142,000)	-
22	Advances from (repayment to) parent company & affiliates.....	96,200	20,842
23	Net Cash Provided (Used) By Financing Activities.....	(4,977)	24,950
24	Net Increase (Decrease) in Cash and Cash Equivalents.....	(6,090)	6,912
25	Cash and Cash Equivalents at Beginning of Period.....	21,453	14,541
26	Cash and Cash Equivalents at End of Period.....	\$ 15,363	\$ 21,453

	CASH PAID DURING PERIOD FOR:		
27	Interest (Net of Amount Capitalized).....	\$ 11,554	\$ 22,948
28	Income Taxes.....	\$ 4,525	\$ -

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

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STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001 AND 2000

(UNAUDITED)
(\$ IN THOUSANDS)

LINE (a)	DESCRIPTION (b)	2001 (c)	2000 (d)
	NET CASH FLOWS FROM OPERATING ACTIVITIES:		
29	Net Income (Loss).....	\$ 2,844	\$ (22,406)
	Noncash Items Included in Income and Cash Items		
	Excluded from Income:		
30	Depreciation and Amortization of Property and Equipment.....	8,954	13,577
31	Amortization of Other Assets.....	1,354	3,172
32	Amortization of Debt Discount or Premium.....	25	75
33	Deferred Income Taxes - Current.....	-	-
34	Deferred Income Taxes - Noncurrent.....	-	-
35	(Gain) Loss on Disposition of Property and Equipment.....	-	716
36	(Gain) Loss on Casino Reinvestment Obligations.....	927	799
37	(Gain) Loss from Other Investment Activities.....	-	-
	Net (Increase) Decrease in Receivables and Patrons'		
38	Checks.....	(168)	(2,622)
39	Net (Increase) Decrease in Inventories.....	(139)	485
40	Net (Increase) Decrease in Other Current Assets.....	(663)	83
41	Net (Increase) Decrease in Other Assets.....	(1,133)	(198)
42	Net Increase (Decrease) in Accounts Payable.....	340	(23)
	Net Increase (Decrease) in Other Current Liabilities		
43	Excluding Debt.....	2,253	2,600
	Net Increase (Decrease) in Other Noncurrent Liabilities		
44	Excluding Debt.....	88	-
45		-	-
46		-	-
47	Net Cash Provided (Used) By Operating Activities.....	\$ 14,682	\$ (3,742)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	ACQUISITION OF PROPERTY AND EQUIPMENT:		
48	Additions to Property and Equipment.....	\$ 13,105	\$ 13,330
49	Less: Capital Lease Obligations Incurred.....	(299)	(1,417)
50	Cash Outflows for Property and Equipment.....	\$ 12,806	\$ 11,913
	ACQUISITION OF BUSINESS ENTITIES:		
51	Property and Equipment Acquired.....	\$ -	\$ -
52	Goodwill Acquired.....	-	-
	Net Assets Acquired Other than Cash, Goodwill, and		
53	Property and Equipment.....	-	-
54	Long-Term Debt Assumed.....	-	-
55	Issuance of Stock or Capital Invested.....	-	-
56	Cash Outflows to Acquire Business Entities.....	\$ -	\$ -
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:		
57	Total Issuances of Stock or Capital Contributions.....	\$ 42,500	\$ -
58	Less: Issuances to Settle Long-Term Debt.....	-	-
59	Consideration in Acquisition of Business Entities.....	-	-
60	Cash Proceeds from Issuing Stock or Capital Contributions.....	\$ 42,500	\$ -

TRADING NAME OF LICENSEE: RESORTS ATLANTIC CITY

SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

(\$ IN THOUSANDS)

Amended

5/1/02

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	143,684	\$ 10,777	265	\$ 32
2	Food	765,454	13,013	567	33
3	Beverage	437,412	2,624	55	9
4	Travel			44,626	3,079
5	Bus Program Cash			667,018	11,340
6	Other Cash Complimentaries			508,859	22,794
7	Entertainment	33,228	1,661	1,748	280
8	Retail & Non-Cash Gifts			2,636	422
9	Parking				
10	Other	2,040	133	64,826	1,361
11	Total	1,381,818	\$ 28,208	1,290,600	\$ 39,350

FOR THE THREE MONTHS ENDED DECEMBER 31, 2001

Line (a)	(b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	33,883	\$ 2,692	27	\$ 4
2	Food	74,297	3,254	74	13
3	Beverage	98,294	698	-	-
4	Travel			7,558	539
5	Bus Program Cash			123,543	2,080
6	Other Cash Complimentaries			141,481	6,407
7	Entertainment	7,470	438	613	96
8	Retail & Non-Cash Gifts			253	108
9	Parking				
10	Other	439	33	286	326
11	Total	214,383	7,115	273,835	\$ 9,573

RESORTS INTERNATIONAL HOTEL, INC.
NOTES TO FINANCIAL STATEMENTS

(Dollars in thousands)

NOTE 1 – MERGER AND BASIS OF ACCOUNTING

Basis of Presentation - Colony RIH Holdings, Inc., a Delaware Corporation ("CRH"), owns 100% of the outstanding common stock of Colony RIH Acquisition, Inc. ("CRA"). CRA, through its wholly owned subsidiary Resorts International Hotel, Inc., a New Jersey Corporation ("RIH", or the "Company"), owns and operates Resorts Atlantic City, a casino/hotel located in Atlantic City, NJ. Subsequent to year-end, CRA changed its name to Resorts International Hotel and Casino, Inc. ("RIHC").

RIHC, Sun International North America, Inc., a Delaware corporation ("SINA"), and GGRI, Inc., a Delaware corporation ("GGRI"), entered into a purchase agreement, dated as of October 30, 2000, as amended (the "Purchase Agreement"). Pursuant to the Purchase Agreement, RIHC acquired all of the capital stock, the Warehouse Assets (as defined in the Purchase Agreement) and all of the capital stock of New Pier Operating Company, Inc., a New Jersey corporation, (collectively, the "Acquisition"), on April 25, 2001.

The Acquisition has been accounted for using the purchase method, and accordingly, the aggregate purchase price, including transaction fees and expenses, has been allocated based on the preliminary estimated fair value of the assets acquired and liabilities assumed. As a result, the condensed consolidated financial statements for the period subsequent to the Acquisition are presented on a different basis of accounting than those for the periods prior to the Acquisition and, therefore, are not directly comparable.

Certain amounts in the prior period financial statements have been reclassified to conform to their current period presentation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

RIH records as revenue the win from gaming activities, which represents the difference between amounts, wagered and amounts won by patrons, reduced by cash rebates and refunds. Revenues from hotel and related services and from theater ticket sales are recognized at the time the related service is performed.

Cash Equivalents

RIH considers all of its short-term money market securities purchased with original maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value due to the short-term maturity of these instruments.

Inventories

Inventories of provisions, supplies and spare parts are carried at the lower of cost (first in, first out) or market.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

For the periods presented herein, property and equipment are stated at cost and are depreciated over their estimated useful lives reported below using the straight-line method. Interest costs incurred during the construction period are capitalized in accordance with Statement of Financial Accounting Standards No. 34, "Capitalization of Interest Costs."

Building and building improvements	35-40 years
Furniture, fixtures and equipment	2 - 5 years

Casino Reinvestment Development Authority ("CRDA") Obligations

Under the New Jersey Casino Control Act ("Casino Control Act"), RIH is obligated to purchase CRDA bonds, which will bear a below-market interest rate, or make an alternative qualifying investment. RIH charges to expense an estimated discount related to CRDA investment obligations as of the date the obligation arises based on fair market interest rates of similar quality bonds in existence as of that date. On the date RIH actually purchases the CRDA bond, the estimated discount previously recorded is adjusted to reflect the actual terms of the bonds issued and the then existing fair market interest rate for similar quality bonds.

The discount on CRDA bonds purchased is amortized to interest income over the life of the bonds using the effective interest rate method.

New Accounting Pronouncement

In the first quarter of 2001, the Emerging Issues Task Force ("EITF") reached a consensus on certain issues in EITF 00-22, "Accounting for "Points" and Certain Other Time-Based Sales Incentive Offers, and Offers for Free Products or Services to be Delivered in the Future." EITF 00-22 requires that volume based cash rebates or refunds be shown as a reduction of revenues effective for quarters ending after February 15, 2001. RIH adopted the consensus provisions of EITF 00-22 in the first quarter of 2001. To be consistent with the 2001 presentation, cash rebates and refunds, previously shown as casino expenses, were reclassified as a reduction of casino revenues in the twelve months ended December 31, 2000. This did not have any effect on previously reported operating income or net income.

Stock Based Compensation

RIH has elected to follow Accounting Principles Board Number 25, "Accounting For Stock Issued to Employees", and related interpretations in accounting for employee stock options. The effect of applying the fair value method proscribed by Financial Accounting Standards Board Statement Number 123 would result in net income that is not materially different from the amount reported in the accompanying statement of operations. Pro forma results of operations may not be representative of the effects on pro forma results of operations for future periods.

Equity instruments issued to non-employees in exchange for goods or services are accounted for using the fair value method and expense is recorded based on the value determined.

Derivatives

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended ("SFAS 133"). The Company adopted SFAS 133 on January 1, 2001. The adoption of SFAS 133 did not have a material effect on earnings or the financial position of RIH.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On the date a derivative instrument is entered into, the Company designates the derivative as (i) a fair value hedge, (ii) a cash flow hedge, or (iii) a risk management instrument not eligible for hedge accounting. The Company recognizes all derivatives on the balance sheet at fair value. All derivatives in which the Company was engaged as of December 31, 2001 were classified as hedges for financial accounting purposes; accordingly, the fair value of the hedge is reported as a direct component of other comprehensive income.

RIH uses interest rate collar agreements to manage its exposure to fluctuations in interest rates on its variable rate debt. At December 31, 2001, RIH had two interest rate collar agreements outstanding with an aggregate notional principal amount of \$26,966, related weighted average maximum and minimum rates of 5.5% and 2.69%, respectively, and a termination date of November 13, 2004 and December 12, 2004. The aggregate unrealized net gain for such interest rate collar agreements was \$151 for the period ended December 31, 2001 and is reported as a component of prepaid expenses and other current assets on the consolidated balance sheet.

Income Taxes

RIH follows the provisions of SFAS 109, "Accounting for Income Taxes". Accordingly, deferred tax assets and liabilities are calculated as the difference between the financial statement carrying amounts and tax bases of assets and liabilities. These differences are affected by the tax rate for the year in which they are expected to be recovered or settled. A valuation allowance is recognized, if necessary, to account for the likelihood that these differences will not be realized in the future. Note 13 further addresses the components of the deferred tax assets and liabilities.

NOTE 3 - RECEIVABLES

Components of receivables at December 31 were as follows:

(In Thousands of Dollars)	2001	2000
Gaming	\$ 9,013	\$ 9,787
Less Allowance for doubtful accounts	(3,793)	(2,892)
	<u>5,220</u>	<u>6,895</u>
Non-Gaming		
Hotel and related	398	379
Other	2,756	1,902
	<u>3,154</u>	<u>2,281</u>
Less Allowance for doubtful accounts	(101)	(34)
	<u>3,053</u>	<u>2,247</u>
	<u>\$ 8,273</u>	<u>\$ 9,142</u>

NOTE 4 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Components of prepaid and other current assets at December 31 were as follows:

(In Thousands of Dollars)	2001	2000
Insurance	\$ 1,053	\$ 520
Slot license fees	675	598
Current deferred income taxes	2,524	-
Other	1,090	816
	<u>\$ 5,342</u>	<u>\$ 1,934</u>

NOTE 5 - INVESTMENTS, ADVANCES AND RECEIVABLES

Components of investments, advances and receivables at December 31 were as follows:

(In Thousands of Dollars)	2001	2000
CRDA bonds and direct investments	\$ 6,620	\$ 9,565
CRDA deposits	21,808	19,754
Valuation allowance - CRDA bonds and deposits	(9,893)	(10,780)
	<u>\$ 18,535</u>	<u>\$ 18,539</u>

The Casino Control Act, as amended, requires a licensee to purchase bonds issued by the CRDA or make other investments authorized by the CRDA, in an amount equal to 1.25% of a licensee's gross gaming revenue, as defined.

The CRDA bonds have interest rates ranging from 3.5% to 7.0% and have repayment terms of between 20 and 50 years. RIH records charges to expense, to reflect the below-market interest rate payable on the bonds it may have to purchase, to fulfill its investment obligation at the date the obligation arises. The charges in 2001 and 2000 for discounts on obligations arising in those years were \$947 and \$816 respectively.

From time to time RIH has donated certain funds it has had on deposit with the CRDA in return for either relief from its obligation to purchase CRDA bonds or credits against future CRDA deposits.

NOTE 6 - PROPERTY AND EQUIPMENT

Components of property and equipment at December 31 were as follows:

(In Thousands of Dollars)	2001	2000
Land	36,886	83,147
Land improvements	-	1,028
Hotels and other buildings	71,829	170,821
Furniture, fixtures and equipment	12,800	42,008
Construction in progress	9,090	1,478
Property and equipment - gross	130,605	298,482
Accumulated depreciation and amortization	(4,466)	(40,704)
Property and equipment - net	<u>\$ 126,139</u>	<u>\$ 257,778</u>

NOTE 7 - OTHER ASSETS

Components of other assets at December 31 were as follows:

(In Thousands of Dollars)	2001	2000
Goodwill	\$ -	\$ 95,091
Debt issuance costs	2,471	4,677
Other	1,485	351
	<u>\$ 3,956</u>	<u>\$ 100,119</u>

NOTE 8 - OTHER ACCRUED EXPENSES

Components of other accrued liabilities at December 31 were as follows:

(In Thousands of Dollars)	2001	2000
Payroll	\$ 8,099	\$ 7,548
Gaming taxes and fees	2,692	2,076
Insurance	1,715	1,339
Other	4,287	5,486
	<u>\$ 16,793</u>	<u>\$ 16,449</u>

NOTE 9 - OTHER CURRENT LIABILITIES

Components of other current liabilities at December 31 were as follows:

(In Thousands of Dollars)	2001	2000
Interest payable	\$ 1,277	\$ 6,948
CRDA bond obligation	714	667
Due to affiliates	-	7,893
Other	2,072	1,739
	<u>\$ 4,063</u>	<u>\$ 17,247</u>

NOTE 10 - LONG-TERM DEBT: DUE TO AFFILIATES

The components of affiliated long-term debt at December 31 were as follows:

(In Thousands of Dollars)	2001	2000
Term Loan A, due 2005	\$ 20,000	\$ -
Term Loan B, due 2007	54,700	-
Revolving Credit, due 2006	4,000	-
12.5% Seller Note, due 2008	18,018	-
9% Senior Notes, due 2007	-	200,000
Unamortized discount	-	(663)
	<u>96,718</u>	<u>199,337</u>
Less: Current Portion	<u>(9,400)</u>	<u>-</u>
	<u>\$ 87,318</u>	<u>\$ 199,337</u>

Notes Payable to Affiliates - In conjunction with the Acquisition, RIHC borrowed \$82 million under an Amended and Restated Credit Agreement, dated April 25, 2001, from the lenders named therein (the "Credit Facility"). The Credit Facility is comprised of \$80 million in term loans (Term Loan A for \$25 million and Term Loan B for \$55 million) and a \$10 million revolving credit facility. The loans under the Credit Facility are secured by substantially all of CRH's, RIHC's and, directly or indirectly, RIH's assets, including a pledge of all of the capital stock of RIHC and RIH, mortgages on all material real property owned or leased by RIHC or RIH and the accounts receivable, inventory, equipment and intangibles of RIHC or RIH. The revolving credit facility will mature on April 25, 2006, Term Loan A will mature on the last business day of December 2005, and Term Loan B will mature on the last business day of March 2007. The principal payments of the term loans are paid on a quarterly basis, commencing June 29, 2001. Interest on borrowings outstanding shall be either at LIBOR or an alternative base rate, in each case plus an applicable margin. In the future the applicable margins may be changed, based on RIHC's leverage ratio as defined in the credit agreement. In conjunction with the Acquisition, RIH issued a note to RIHC with terms mirroring those of the Amended and Restated Credit Agreement.

Seller Note - In conjunction with the acquisition, CRH issued a \$17.5 million note to SINA (the "Seller Note"). The Seller Note is subordinated to the term loans under the Credit Facility and has a 7-year term. This loan bears interest at 12.5% per annum of which 6.25% is payable in cash and 6.25% is paid in kind. There is no amortization of principal on this loan. Principal is due in full on April 25, 2008. In conjunction with the Acquisition, RIH issued a note to RIHC with terms mirroring those of the Seller Note.

NOTE 10 – LONG-TERM DEBT: DUE TO AFFILIATES (continued)

The Credit Facility and Seller Note contain a number of covenants that, among other things, restrict the ability of CRH, RIHC, and their subsidiaries, to incur additional indebtedness, create liens on assets, dispose of assets, make investments, loans, or advances, engage in mergers or consolidations, pay dividends, engage in certain transactions with affiliates, change their respective line of business and otherwise restrict certain corporate activities. In addition, under the Credit Facility, RIHC, and its subsidiaries, are required to maintain specified financial ratios, satisfy specified financial tests, including interest coverage and leverage tests, and are limited on capital expenditures. The Credit Facility contains events of default customary for facilities of this nature. At December 31, 2001, RIHC and its subsidiaries were in compliance with all financial covenants.

In conjunction with the issuance of the 11½% First Mortgage Note on March 22, 2002 (see Note 16), the Credit Facility and Seller Note were repaid from the proceeds of the debt offering.

Other long-term debt - On August 17, 2001, RIH financed the purchase of \$2,100 of gaming equipment. The agreement is for three years with monthly payments of principal and interest with an annual interest rate equal to LIBOR plus 3.25%. As of December 31, 2001, the outstanding balance was \$1,795.

During August 1999, SIHL entered into a term credit facility (the "SIHL Facility") with a syndicate of banks led by The Bank of Nova Scotia and Societe General under which RIH is a borrower along with SIHL and Sun International Bahamas Limited, a wholly owned subsidiary of SIHL. Through December 31, 2000, funds borrowed on the SIHL Facility by RIH amounted to \$79,000. Funds borrowed on the facility were repaid at the Acquisition (see Note 1) and RIH is no longer a party to the SIHL Facility.

In February 1997, SIHL and SINA (the "Issuers") issued \$200,000 principal amount of 9% Senior Subordinated Notes due 2007 (the "Senior Notes") which, after costs, resulted in net proceeds of approximately \$194,000. These proceeds were loaned to RIH in exchange for a \$200,000 promissory note (the "Predecessor Note") with terms that mirror the terms of the Senior Notes, and RIH's guarantee of the Senior Notes. The outstanding balance on the Predecessor Notes was \$199,337 at December 31, 2000. Interest on both the Senior Notes and the Predecessor Note was payable on March 15 and September 15 in each year. These payments commenced September 15, 1997 with an interest payment of \$9,550. The Predecessor Notes were repaid as a part of the Acquisition (see Note 1).

Due to the interest rates and terms thereof, the carrying values of the Company's long-term debt approximates their fair values as of December 31, 2001 and 2000.

NOTE 11 - RELATED PARTY TRANSACTIONS

RIH recorded the following expenses from affiliates:

	Year Ended December 31,	
	2001	2000
Expenses:		
Interest and amortization of discounts on notes payable to SINA	\$ 5,725	\$ 18,075
Interest and amortization of premiums on notes payable to RIHC	5,827	-
Management fee	-	6,573
Marketing services	-	1,210
Amortization of debt issuance costs	518	531
Property rentals from SINA	-	244
Billboard rental from affiliate	-	37
	<u>12,070</u>	<u>26,670</u>

NOTE 11 - RELATED PARTY TRANSACTIONS (continued)

SINA charged RIH a management fee of three percent of gross revenues for administrative and other services. In addition to the management fee, charges for insurance costs were allocated to RIH based on relative amounts of operating revenue, payroll, property value, or other appropriate measures.

The management fee and other charges were discontinued as of October 1, 2000 in connection with the Purchase Agreement discussed in Note 1.

In connection with the Acquisition discussed in Note 1, RIH was not liable for payment of related party balances, including borrowings from SIHL or SINA.

NOTE 12 – NON-OPERATING INCOME, NET

Non-operating income, for the twelve months ended December 31, consisted of interest income of \$1,085 and \$1,539 for the year 2001 and 2000, and other non-operating expenses of \$404 and \$715 for the year 2001 and 2000, respectively.

NOTE 13 – INCOME TAXES

Income tax expense is comprised of the following for the period from April 25, 2001 to December 31, 2001:

Current:		
Federal		\$ 5,830
State		-
		<u>5,830</u>
Deferred:		
Federal		(784)
State		-
		<u>(784)</u>
		<u>\$ 5,046</u>

The components of the deferred tax liabilities were as follows at December 31:

	2001	2000
Deferred tax liabilities:		
Basis differences on property and equipment	\$ (1,730)	\$ (44,300)
Other	-	(1,500)
Total deferred tax liabilities	<u>(1,730)</u>	<u>(45,800)</u>
Deferred tax assets:		
NOL carryforwards	5,302	86,800
Book reserves not yet deductible for tax	1,812	11,900
Tax credit carryforwards	-	800
Other	1,289	6,900
Total deferred tax assets	<u>8,403</u>	<u>106,400</u>
Valuation allowance for deferred tax assets	(5,498)	(96,057)
Deferred tax assets, net of valuation allowance	<u>2,905</u>	<u>10,343</u>
Net deferred tax assets (liabilities)	<u>1,175</u>	<u>(35,457)</u>

NOTE 13 – INCOME TAXES (continued)

The effective income tax rate varies from the statutory Federal income tax rate as a result of the following factors:

	Period from April 25, 2001 to December 31, 2001	Period from January 1, 2001 to April 24, 2001	Year ended December 31, 2000
Statutory Federal income tax rate	35.0%	35.0%	35.0%
Non-deductible items and other miscellaneous matters	4.5%	(25.6%)	(28.0%)
Nondeductible provisions and expenses	0.0%	(9.4%)	(7.0%)
Effective tax rate	<u>39.5%</u>	<u>0.0%</u>	<u>0.0%</u>

At December 31, 2001, the Company has a state net operating loss carryforward of approximately \$90,500. The carryforward will expire as follows: 2004, \$27,200; 2005, \$2,400; 2006, \$40,200; and 2007, \$20,700. The Company has reported a full valuation allowance against the carryforward because it does not expect to realize the tax benefit.

NOTE 14 – RETIREMENT PLANS

RIH has a defined contribution plan in which substantially all non-union employees are eligible to participate. Employees of certain other affiliated companies are also eligible to participate in this plan. Contributions are made to the plan based on a percentage of eligible employee contributions. Contribution expense for this plan was \$645 and \$665 for the years ended December 31, 2001 and 2000, respectively.

Union employees are covered by various multi-employer pension plans to which contributions are made by RIH and other unrelated employers. RIH's pension expense for these plans was \$1,446 and \$1,192 for the years ended December 31, 2001 and 2000, respectively.

NOTE 15 – COMMITMENTS AND CONTINGENCIES*Litigation*

The Companies are a defendant in certain litigation. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from such litigation will not have a material adverse effect on the financial position, results of operations, or liquidity of the Company.

License Renewal

On January 19, 2000, the New Jersey Casino Control Commission (the "CCC") renewed RIH's license to operate its casino hotel complex in Atlantic City. A casino license is not transferable, and must be renewed every four years by filing an application, which must be acted upon by the CCC no later than 30 days prior to the expiration of the license there in force.

NOTE 15 – COMMITMENTS AND CONTINGENCIES (continued)*Commitments*

The Company leases land, office space and certain equipment under noncancelable operating lease arrangements. These leases expire in various years. Rent expense under these lease agreements for the period from April 25, 2001 to December 31, 2001, the period from January 1, 2001 to April 24, 2001, and for the years ended December 31, 2000, and 1999 was approximately \$3,100, \$433, \$1,400 and \$975, respectively. Future minimum lease payments under noncancelable operating leases consist of the following at December 31, 2001:

2002	\$ 3,809
2003	2,409
2004	2,088
2005	2,088
2006 and thereafter.....	<u>24,872</u>
Total	<u>\$ 35,266</u>

NOTE 16 – SUBSEQUENT EVENTS

On March 22, 2002, RIHC sold \$180,000 aggregate principal amount of 11½% First Mortgage Notes at a price of 97.686% yielding \$175,800. Interest on the First Mortgage Notes is payable on March 15th and September 15th of each year. The First Mortgage Notes are due in March 2009. The proceeds from the First Mortgage Notes were used to repay amounts outstanding under the Credit Facility and the Seller Note and will be used to finance the cost to develop, construct, and equip a new hotel tower.

On March 22, 2002, RIH received an equity contribution from its parent in the amount of \$35,000.

On March 22, 2002, in conjunction with repayment of the Credit Facility, RIH terminated its two outstanding interest rate collar agreements.

STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Casino Control Commission's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.A.C. 19:43-4.2(b)1-5 during this year.



Signature

Vice President-Financial Administration
& Chief Information Officer

Title

4514-11

License Number

On Behalf Of:

RESORTS ATLANTIC CITY

Casino Licensee

ANNUAL EMPLOYMENT AND PAYROLL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2001

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2001
(\$ in Thousands)

Amended

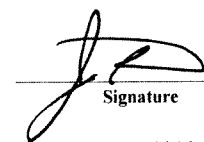
4/3/02

LINE (a)	DEPARTMENT (b)	NUMBER OF EMPLOYEES AT DECEMBER 31, (c)	SALARIES AND WAGES		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
1	CASINO Administration	4			
2	Gaming	688			
3	Slots	328			
4	Casino Accounting	18			
5	Simulcasting	12			
6	Other	13			
7	Total - Casino	1063	\$ 25,566	\$ 188	\$ 25,754
8	ROOMS	301	7,336	232	7,568
9	FOOD AND BEVERAGE	733	13,307	-	13,307
	OTHER OPERATED DEPARTMENTS				
10	Employee Cafeteria	40	1,065	-	1,065
11	Transportation	50	706	-	706
12	Uniform Room	13	306	-	306
13	Health Club	17	268	-	268
14	Other	5	107	-	107
15					
16					
17					
18					
19					
	ADMINISTRATIVE AND GENERAL				
20	Executive office	11	357	997	1,354
21	Accounting and auditing	67	1,733	442	2,175
22	Security	201	4,426	-	4,426
23	Other administrative and general department	113	2,595	217	2,812
24	MARKETING	202	5,283	576	5,859
25	GUEST ENTERTAINMENT	223	1,170	-	1,170
26	PROPERTY OPERATION AND MAINTENANCE	112	4,782	-	4,782
27	TOTALS - ALL DEPARTMENTS	3,151	\$ 69,007	\$ 2,652	\$ 71,659

Under the penalties provided by law, I declare that I have examined this report, and to the best of my knowledge and belief, it is true and complete.

March 29, 2002

Date


Vice President-Financial Administration
& Chief Information Officer
Title of Officer

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2001

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



TRADING NAME OF LICENSEE RESORTS ATLANTIC CITY

GROSS REVENUE ANNUAL TAX RETURN

FOR THE YEAR ENDED DECEMBER 31, 2001

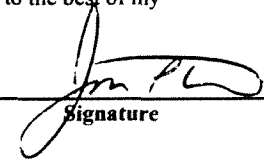
(\$ in Thousands)

Line

CASINO WIN:		
1.	Table and Other Games Win.....	\$ 67,411
2.	Slot Machines Win.....	176,339
3.	Total Win.....	243,750
Less - Adjustment for Uncollectible Patrons' Checks:		
4.	Provision for Uncollectible Patrons' Checks	\$ 776
5.	Maximum Adjustment (4% of line 3)	\$ 9,750
6.	Adjustment (the lesser of line 4 or line 5)	776
7.	Gross Revenue (line 3 less line 6).....	\$ 242,974
8.	Tax on Gross Revenue - Reporting Year (8% of line 7).....	\$ 19,438
9.	Audit or Other Adjustments to Tax on Gross Revenues in Prior Years	-
10.	Total Taxes on Gross Revenue (the sum of lines 8 and 9).....	19,438
11.	Total Deposits Made for Tax on Reporting Year's Gross Revenue.....	(19,348)
Settlement of Prior Years' Tax on Gross Revenue		
12.	Resulting from Audit or Other Adjustments - (Deposits) Credits	-
13.	Gross Revenue Taxes Payable (the net of lines 10, 11 and 12)	\$ -

Under penalties of perjury, I declare that I have examined this Gross Revenue Annual Tax Return and to the best of my knowledge and belief, the information contained in this return is accurate.

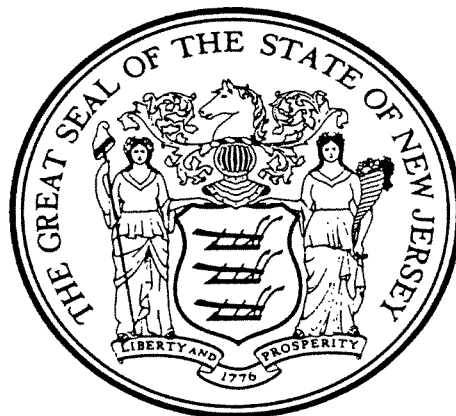
3/15/02
Date


Signature
Vice President - Financial Admin.
& Chief Information Officer
Title of Officer

SCHEDULE OF RECEIVABLES AND PATRON'S CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2001

**TO THE
CASINO CONTROL COMMISSION
OF THE
STATE OF NEW JERSEY**



SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2001

(UNAUDITED)
(\$ IN THOUSANDS)

Amended

9/13/02

ACCOUNTS RECEIVABLE BALANCES

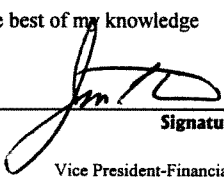
LINE (a)	DESCRIPTION (b)	ACCOUNT BALANCE (c)	ALLOWANCE (d)	ACCOUNTS RECEIVABLE NET OF ALLOWANCE (e)
	Patrons' Checks:			
1	Undeposited Patrons' Checks.....	\$ 3,898		
2	Returned Patrons' Checks.....	5,115		
3	Total Patrons' Checks.....*	9,013	\$ 3,793	\$ 5,220
4	Hotel Receivables.....	398	101	297
	Other Receivables:			
5	Receivables Due from Officers and Employees.....	-		
6	Receivables Due from Affiliates.....	-		
7	Other Accounts and Notes Receivables.....	2,756		
8	Total Other Receivables.....	2,756		2,756
9	Totals (Form CCC-205).....	\$ 12,167	\$ 3,894	\$ 8,273

UNDEPOSITED PATRONS' CHECKS ACTIVITY

LINE (f)	DESCRIPTION (g)	AMOUNT (h)
10	Beginning Balance (January 1).....	\$ 4,216
11	Counter Checks Issued (Excluding Counter Checks Issued Through Transactions Relating to Consolidations, Partial Redemptions, Substitutions, and Patrons' Cash Deposits).....	121,631
12	Checks Redeemed Prior to Deposit (Excluding the Unredeemed Portion of Counter Checks Redeemed Through Partial Redemptions, and Excluding Checks Redeemed Through Transactions Relating to Consolidations, Substitutions, and Patrons' Cash Deposits).....	(99,825)
13	Checks Collected Through Deposits.....	(16,928)
14	Checks Transferred to Returned Checks.....	(5,196)
15	Other Adjustments.....	-
16	Ending Balance.....	3,898
17	"Hold" Checks Included in Balance on Line 16.....	\$ -
18	Provision for Uncollectible Patrons' Checks.....	\$ 1,555
19	Provision as a Percent of Counter Checks Issued.....	1.3%

Under penalties of perjury, I declare that I have examined this Schedule of Receivables and Patrons' Checks and to the best of my knowledge and belief, it is true and complete.

August 22, 2002 (Revised)
Date


 Signature
 Vice President-Financial Administration
 & Chief Information Officer
 Title Of Officer